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Team Visits Spur U.S. Farm Trade

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This week's cover:

Foreign trade teams in the United States—Dutch at a U.S. flour mill, Japanese at the Chicago Board of Trade, and British in an Oklahoma wheat field. Story beginning this page discusses the impact of their visits. (Photos: Great Plains Wheat.)

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Team Visits—Activators of U.S. Farm Trade

In Japan, there's a group called the "Ten Gallon Club," made up of Food Agency officials, flour millers, and other Japanese wheat purchasers who have visited the United States. While largely a social club—with members often showing up in the namesake 10-gallon hats—the group has a common and continuing interest in the United States.

Members have come to this country over the past decade as participants in wheat teams sponsored by Wheat Associates, Inc., and FAS—cooperators in market development for wheat in Asia. Their objective has been to get a close look at the production and marketing facilities in the country from which Japan buys so much wheat; our objective, to persuade the Japanese to import more U.S. wheat.

The dividends to both countries over the years have been tremendous. The Japanese have been able to assure themselves of the adequacy of our facilities and to impress U.S. farmers and traders with the desirability of maintaining a flow of grain to Japan. The United States, on the other hand, has found these team members to be active boosters of U.S. farm trade: some lend a hand in U.S. market development projects in Japan; others are invaluable as sources of market information; and all have played a part in the fantastic growth in U.S. wheat sales to Japan over the past decade.

Eight other commodities aided through this program, which sponsors teams from over 40 countries.

But these Japanese visitors are only a part of the far-flung team program, which today reaches to practically every corner of the world. Rough totals show that over 160 teams from more than 40 countries have come to the United States during the past 13 years. Reasons behind the trips vary widely—from giving Japanese flour millers a firsthand look at U.S. wheat operations to selling U.S. breeding stock to Peruvian ranchers—but all are potential stimulants to U.S. farm trade.

In all, there are nine commodities that benefit from this type of market development—wheat, feedgrains, soybeans, livestock, tallow, lard, rice, pulses, and seeds. And there are 17 different trade groups cooperating with FAS in bringing the teams over. Financing of the visits, in most cases, is footed by FAS and its cooperators, and teams usually stay in this country from 2 weeks to a month.

Itineraries for the different teams vary, but most of the visitors get a chance to see producing areas for the different commodities, the Chicago Board of Trade or other futures markets, grain or soybean storage and handling facilities, and major export facilities. A stop is also usually made in Washington, D.C. for consultations with government and trade officials. In addition, many of the teams take short courses at major universities; feedgrain and soybean team members get a chance to observe feedlot operations and feeding demonstrations; and vegetable oil teams see how soybeans are crushed and oil is refined.

Beginning of the team visits, as well as the other market development programs, dates to passage of Public Law 480 in 1954, which made possible the export of food products for foreign currency and use of this currency overseas for market development and other U.S. Government activities.

Team influx began with Italian pasta makers seeking additional wheat supplies.

In the following year, a five-man pasta team from Italy was brought to the United States by the newly formed Nebraska Wheat Commission—now a part of Great Plains Wheat, Inc. At that time, the world was suffering from a shortage of Durum wheat—from which Italian pasta is usually made—and U.S. Hard Red Winter was seen as a possibility for mixing with the Durum.

This and succeeding visits by two Italian pasta teams were naturally marked with a few problems along the way, including a quality problem which was successfully overcome. But for the most part the Italians were pleased with what they saw in the United States and were moved by acts of friendship from the Americans.

In a later report on the trip, one team member told of a war bride who traveled over 100 miles to meet his team in Lincoln. Another member was amazed at the Americans' ability to accept criticism and learn from it. He wrote of the time his team went to an Italian restaurant only to find it was serving "paste" rather than pasta. Complaints about the pasta brought response from a newspaperman who wrote an article on how American pasta could be improved.

The real test of these visits, however, was in the buying, and the Italians did go on to become a market for U.S. Hard Red Winter wheat. From only 3 percent in 1954, the United States was able to increase its share of the Italian wheat market to 62 percent by 1960-61, with Italy our No. 1 outlet for wheat that year. Since then, Japan and other markets have moved up and Italy has fallen off, but Italy still took 8.2 million bushels of U.S. wheat and flour in fiscal 1967.

Since the first Italian visit, some 75 teams from 35-40 different countries have been brought to the United States by FAS and its two market development cooperators for wheat—Great Plains Wheat, Inc., and Western Wheat Associates USA, Inc. (which also carry out a joint program in Asia under the name Wheat Associates).

Countries from which teams have come include Japan, our largest dollar market for wheat; Taiwan; Switzerland; the United Kingdom; West Germany; Spain; India; the Philippines; and so on. These participating countries usually account for most of the U.S. wheat and flour sales abroad, which in 1967 totaled 690 million bushels, or 2½ times the level in 1955 when the wheat trade started a team program.

Feedgrain and soybean teams got a later start, but their numbers have risen steadily in recent years.

While the U.S. feedgrain trade did not try team visits as early as the wheat trade did, it has made up for this late start by sponsoring a growing number of teams each year. In 1967 alone, the U.S. Feed Grains Council brought to the United States seven teams from six different countries, including Italy, Germany, the United Kingdom, Spain, Taiwan, and Belgium-Luxembourg. This brought to 37 the number of teams sponsored by the Council since it became actively involved in team visits some 8 years ago.

Members of these teams—journalists, beef and dairy cattle producers, feed manufacturers, and nutritionists, to mention some—represent a wider spectrum of agriculture than do the wheat teams. This reflects the growing interest in learning about intensive feeding of livestock.

The Feed Grains Council—and the wheat groups as well—considers the team visit its No. 1 technique for capitalizing on the expanding, worldwide interest in grains. And if export statistics mean anything, it has indeed been successful. For since the beginning of the Council's team program in 1960, U.S. shipments of feedgrains have risen a giant 86 percent to 19.7 million tons, with Japan, West Germany, the United Kingdom, Italy, and Spain among the growing markets.

There are many individual success stories reflected in this expanded trade, but here are three.

In 1963, 40 top feed compounders and animal nutritionists from Japan came to the United States to take a 2-week short course at Oklahoma State University and to learn about feed formulation and other aspects of our mixed feed industry. Partly as a result of this visit, Japan's use of grain sorghum in poultry rations tripled, with practically all this added grain sorghum coming from the United States.

Later, in 1965, the U.S. Feed Grains Council brought to this country four top officials from Portugal for the purpose of convincing them to liberalize Portuguese grain imports. After attending conferences here on feed production and animal nutrition, the team members were convinced of the economic advantages of grain feeding and opened their market to grain exports from the United States. Today that country is a customer for over 100,000 tons of U.S. feedgrains.

One of the more successful activities in 1967 was the visit of an Italian team made up of cattle producers and animal nutritionists. Following the trip, three new commercial feedlots were started by members of the team, while other members prepared extensive reports for various meetings of nu-

tritionists, feed manufacturers, and cattle feeders. Feeding trials were also carried out by college professors who had participated in the trip.

The two cooperators in market development for soybeans and soybean products—Soybean Council of America, Inc., and the American Soybean Association—have also found team visits a productive form of market development.

Such visits started in 1958—2 years after the launching of a market development program for soybeans—when a Spanish team of mixed feed manufacturers came to the United States. This and subsequent visits helped develop in Spain a 27-million-bushel market for U.S. soybeans and sparked interest from numerous other countries.

Since the beginning of the program, the soybean associations have brought to the United States 25 teams, consisting of over 130 persons from 13 different countries. Occupations of team members have varied from mixed feed manufacturers in Germany, Spain, and France; to cookie manufacturers in the United Kingdom; to oil processors in Turkey; to margarine manufacturers in Japan.

Total trade in soybeans, soybean meal, and soybean oil since the beginning of the team visits has grown even more dramatically than grain trade has, rising to an estimated 11,182,000 short tons in 1967, or more than triple the 1958 level. And much of this gain has been in sales to Japan, West Germany, and Spain—the three countries from which many of the teams have come.

Team visits sparked sales of livestock and helped give us a share of the European market for breeding cattle.

Unlike the grain and soybean teams, whose visits often serve to activate interest in U.S. products, the livestock teams usually come to the United States with the sole purpose of buying live animals. In most cases, these team visits have been preceded by meetings of foreign producers or government officials with U.S. agricultural attachés, breed association representatives, and other U.S. officials or by U.S. participation in overseas livestock shows.

When convinced of the high quality and desirability of U.S. breeding stock, the overseas producers come to the United States. FAS and cooperating breed associations usually finance the transportation over, while the producers' governments often help out with other expenses. The typical itinerary in the States consists of visits to major cattle-producing areas and a stop in Washington for meetings with breed-association and government officials.

Since 1963, 16 livestock teams have come to the United States from nine different countries—Ecuador, Peru, Chile, Italy, Uruguay, Thailand, Spain, Portugal, and Iran. Animals purchased by these countries have thus far totaled over 35,000 head, including 11,364 head of dairy cattle sold to Italy and Peru; 5,624 of feeder cattle and 9,591 of veal calves to Italy; 3,810 head of beef breeding stock to Peru, Portugal, and Thailand; 4,400 head of sheep to Ecuador; and finally 442 head of hogs sold to Italy, Thailand, and Chile.

One of the individual success stories represented here was the shipment of calves in cartons to Italy during 1964. That year, a severe beef shortage throughout Europe forced Italy to look to the United States for supplies. A team came to this country to survey the situation and found U.S. veal calves to its liking. Out of this visit developed a unique trade in calves, which were placed in well-ventilated cartons and sped to Italy via passenger jetliner. So successful was the new technique that Italy went on to buy 9,591 head of veal calves, and Greece and Israel—following the Italian example—also became markets for U.S. calves.

These calf sales helped to open up a market in Italy for U.S. breeding cattle and stimulated interest in U.S. foundation stock on the part of other countries. This was dramatically illustrated by the purchase last year of 1,900 head of U.S. breeding cattle—mostly Herefords—by Portuguese cattle producers. These purchases had been preceded by the visits of two Portuguese teams—one in November of 1966 and one in September 1967—and by intensive market development efforts on the part of U.S. Government officials in Portugal.

Team visits are also used as a market development technique for several other items, but on a much smaller scale.

In 1966, for instance, National Renderers Association, the All Japan Soap Association, and FAS brought to the United States an 11-man tallow team from Japan. Purpose of the trip was to show representatives from our major overseas tallow market (Japan took about one-fourth of the $144-million export in 1967) how tallow is produced in the United States; this involved talking with and inspecting the operations of renderers, tallow brokers and traders, meat packers, soap manufacturers, and other groups allied to tallow production and trade.

At about the same time, a team representing the U.K. Lard Association was here to alert the lard industry to marketing problems it faces in the United Kingdom—outlet for virtually all of our lard exports and a country where U.S. lard has faced increasingly stiff competition. As a result of the visit, a U.S. Lard Committee was set up to coordinate U.S. market development activities and a market survey project was launched in the United Kingdom.

The Japanese and Germans have each sent two rice teams to the States; two pulse teams have come here from Western Europe (members of one recently completed a short canning course at Michigan State University); and a group of seedsmen has come from Japan. For these commodities, like the others, team visits have boosted U.S. sales and sparked closer working relationships.

The stories of these nine commodities attest to the success of the team program, and so does the launching by Australia, Canada, and other U.S. competitors of similar activities. "Imitation is the finest form of flattery," it has been said, but in the case of U.S. agriculture imitation also means that we must continue to develop imaginative programs like the team visits if exports are to keep on growing.

Not mentioned in this article but just as important as the teams sponsored by FAS and its trade cooperators are those that come over on their own; in fact, in many cases such teams show more direct results since they're usually here with the express purpose of purchasing U.S. farm products. Upon request, FAS commodity divisions will assist these voluntary groups in planning itineraries and making trade contacts.

Colombian Wheat Crop Slumps to 20-Year Low

Pressures to produce what Colombian farmers considered more profitable agricultural goods than wheat, such as potatoes, barley, and dairy products, have resulted in the smallest wheat crop in 20 years in Colombia in 1967. The latest estimate of harvested crop is 80,000 metric tons. The drop in production was due to severely reduced acreage—down 38 percent from 1966 to 168,000 acres. Wheat area was about half of the 1962-66 average.

Yields in 1967 were at a record high and averaged 4 percent greater than in 1966, or 17.6 bushels per acre, mainly because weather conditions were extremely good during the growing and harvesting seasons.

Varied influences reduce wheat acreage

Barley acreage rose 11 percent in 1967 compared with 1966, mostly at the expense of wheat area, because farmers thought it was a safer crop and a more profitable one. Weather is unpredictable in the Colombian highlands where most wheat is grown, and in the past some wheat crops were seriously damaged by adverse conditions. Barley is less susceptible to weather extremes than wheat and usually has a higher yield per acre. Another influence on farmers is that barley can be sold to the large Colombian breweries, which provide barley producers with attractive guaranteed prices, technical assistance, financial help, and immediate payment for crops. Wheat producers in selling their crop must deal with the National Supply Institute (INA), which has a reputation among farmers for complications in making payments.

Ironically, the 1967 barley crop was 10 percent lower than the 1962-66 average because several frosts in December damaged crops in the main barley producing areas.

Wheat lost even more acreage to potatoes and dairy pastures. Potato prices were favorable at the wheat-planting season and induced many farmers to switch land from wheat to potato production. In addition, the Colombian Government increased the credit available to farmers for potato growing. The surge in dairy pasture acreage resulted from the lifting of price restrictions on milk early in 1967. Dairymen increased their herd sizes and their pasture areas.

Although Colombia grows considerable wheat of its own, it imports one to two times as much to satisfy domestic demand. In the 1960's consumption and imports have risen rapidly, and local production now supplies a smaller share than ever of total wheat used in Colombia. The United States has been one of the chief suppliers of wheat to Colombia.

COLOMBIA'S PRODUCTION AND IMPORTS OF WHEAT

Item	Unit	Average 1960-64	1965	1966	1967
Acreage	1,000 acres	350	297	272	168
Yield per acre	Bushels	13.1	17.3	16.9	17.5
Production	1,000 metric tons	124	140	125	80
Imports from:					
United States	do	112.3	142.8	226.2	103.9
Canada	do	6.4	10.0	....	....
Argentina	do	5.6	30.0	....	42.9
Mexico	do	....	....	....	22.0
Total	do	124.3	182.8	226.2	168.8

After a period of unrestricted imports of wheat during most of 1966, the Colombian Government instituted strict import and exchange controls in November 1966. Wheat import controls were part of an extensive government program to conserve foreign exchange. From the record import year of 1966, when Colombia purchased 226,200 metric tons of wheat, shipments fell to 168,750 tons during 1967. The drop was 25 percent. Not only were total wheat imports less, but the United States' share fell from 100 percent in 1966 (an unusual U.S. wheat export year to Colombia) to 62 percent in 1967. Colombian imports of U.S. wheat in 1967 were less than half as much as in 1966.

During 1967 Argentina supplied 25 percent of Colombia's wheat imports, or 42,000 metric tons; Mexico supplied 13 percent, or 22,000 tons. Imports from these two countries rose when the Colombian Government, as part of its agreements with the Latin American Free Trade Association (LAFTA), lowered duties and eliminated prior deposits on the value of wheat imported from Mexico and Argentina.

Because of the short 1967 domestic crop, Colombia's wheat imports will probably rise during 1968. According to figures from the National Supply Institute of Colombia (INA), during January of this year 36,000 metric tons were imported from Spain and 6,200 tons from the United States. Another 47,000 tons of wheat have been purchased from Spain.

The Spanish wheat is being imported under a special agreement between Spain and Colombia. Because of a previous trade arrangement, Colombia has large balances of Spanish pesetas that can be used only for purchases in Spain.

In theory, the present tariff charges on wheat imported to Colombia favor LAFTA produce. Although recent negotiations have made the duty differences on wheat from non-LAFTA and LAFTA countries less, the United States is still at a disadvantage. Actually, all wheat imported to Colombia is now being purchased by INA directly, and no duty is charged on such wheat because INA is a governmental agency. As long as INA issues open tenders and awards sale to the lowest bidder, the United States is competitive.

Increased wheat production forecast

The 1968 Colombian wheat harvest is expected to about equal the 1962-66 average, or be around 120,000 metric tons. Yields per acre will probably be about the same as in 1967 if weather conditions are favorable, but acreage will be expanded because of recent changes in government policy.

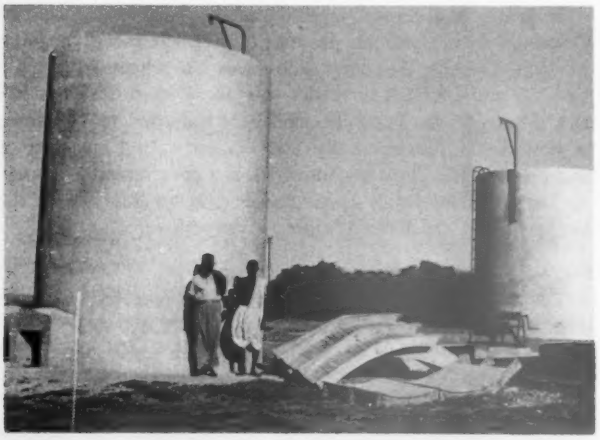
The Colombian Government has increased the support price for wheat by 22 percent to $132.93 per metric ton. Most observers believe that the new support price puts wheat in a more competitive position in relation to potatoes and dairy products. The government also, as part of a plan to boost production of basic food crops, has authorized the agricultural credit fund to up credit reserved for wheat by 42 percent. Both government moves should encourage expansion of wheat production.

Another factor may affect 1968 wheat acreages. Because of the high yields and good quality of wheat harvested in 1967, wheat farmers had unusually good earnings. This 1967 experience may influence other farmers to be more optimistic about planting wheat in 1968.

—Based on dispatches from RICHARD A. SMITH
U.S. Agricultural Attaché, Bogotá

Africa Accents the Modern: Grain Storage Technique Is Improving

Above, mud-walled rice granary in a northern Ivory Coast village; vessels in foreground are for temporary grain storage.



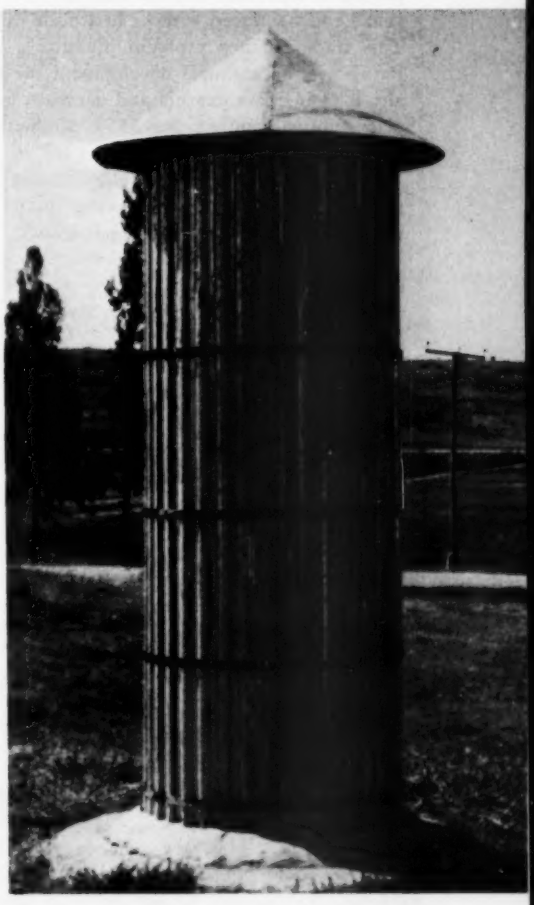
Many African small farmers, by adopting new or improved methods of grain storage, are increasing their grain supplies by as much as one-third to one-half. Better storage ranges from traditionally built African structures with some improvements to modern silos and warehouses made of a variety of materials. An example of improved traditional storage is an African granary built of mud or clay with which cement has been mixed; the resulting building is more resistant to cracking during dry seasons and moisture infiltration during wet periods than one whose walls are plain mud. Small modern silos, often owned by farmers' cooperatives, are commonly made of concrete or galvanized metal. Warehouses may be made of cloth or plastic so that they can be easily moved and also easily sealed for fumigation.

Grain saved through improved storage both betters nutrition in rural populations and provides much needed cash. In many areas in the past a farmer's grain supply was exhausted 5 or 6 months after harvest because of spoilage and consumption by insects and rodents; many people had inadequate diets until the next harvest. The financial advantages of good storage are twofold. First, safe storage allows a farmer to hold his grain for advantageous market prices instead of selling during the brief harvest glut. Second, good storage keeps produce of high quality, which commands high prices. In the past much grain stored by small farmers could be sold only for very low prices (if it could be sold at all) because of damage by fungi or insects.

A common type of new small storage structure is the cylindrical bin made of galvanized metal, either set flat on a concrete platform or with a funnel-shaped bottom for self-emptying. For details of other new African grain storage buildings, see Informal Working Bulletin 24, Agricultural Engineering series, *Some Essential Considerations on the Storage of Food Grains (Cereals, Legumes, and Oilseeds) in Tropical Africa,* by the Food and Agriculture Organization of the United Nations, Rome.

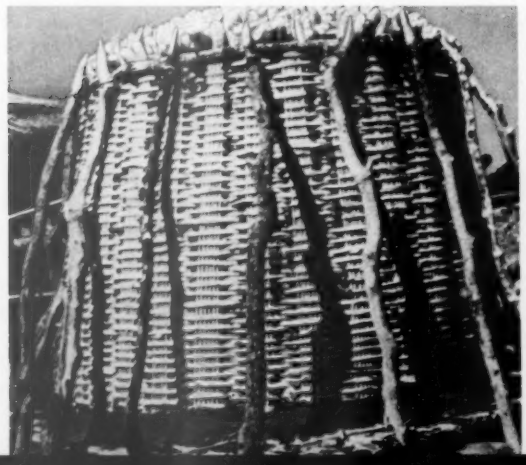
Left, modern grain silos in Somalia. Below, a movable plastic warehouse, insect- and moistureproof, for Kenya bagged corn.

Left, woven grass baskets on poles in Angola can hold up to 1,100 pounds of grain each. Below, improved African-type silo in Ethiopia with concrete base and metal walls; 1-ton capacity.



Left, corn granaries made of woven plant fiber and raised on stone feet in a Hehe compound, Tanzania. Note small round access hole in the center granary.

Kenyan woven-fiber bin for corn storage; bin has a mud floor that is set on a platform of poles.



Granary with clay walls, "feet," and grass "hat," Ivory Coast.

Paraguay Expands Farm Output, Exports Lag

Agricultural production in Paraguay rose slightly in 1967 as output of meat and corn hit new highs. Trade in farm products, however, did not fare as well, and the country at year's end was faced with its first trade deficit in several years. This trade balance problem presents a serious challenge to Paraguay's agricultural development program, whose express aim is to increase exports and decrease imports. But measurable improvement in the 1967 production of some export items promises a better trade record in 1968.

Farm production in Paraguay during 1967 showed a net advance of 4 percent, with a crop increase of 3 percent that was surpassed by the gain in livestock. This continued the steady improvement in agriculture over the past decade brought about by better farming practices, expansion in cultivated area, and an increasing flow of foreign technical and financial assistance.

Cattle numbers—estimated at 5.6 million head—continued the upward trend of recent years, and numbers of cattle slaughtered in 1967 rose slightly to 690,000 head, 2 percent more than in 1966. However, animals were generally in short supply—indicating that herds have not yet fully recovered from losses incurred during the floods of 1966.

Exporters were able to meet about 90 percent of the 250,000-head quota for cattle slaughtered for export largely because of fairly sizable cattle imports from Argentina. Exports of processed meat products (excluding frozen horse meat, totaling 3,000 tons) reached 26,400 tons, against 18,893 in 1966. Cattle hide exports totaled 7,766 pieces, down somewhat from the 8,035 shipped in 1966; an estimated 200 breeding cattle were exported.

Corn production reached a record 300,000 tons, of which 1,200—Venezuelan type—had been exported through June, as compared with 1,500 in 1966.

Overall output grows

Tobacco production in 1967 totaled about 40 million pounds, double that of the previous season, with about 90 percent committed for export. Acreage for 1968 has been expanded in response to the improved prices of recent months.

Coffee production increased slightly over that of 1966 to 20,000 bags (132 lb. each). This year's output is expected to be a minimum of 50,000 bags, as conditions for fruit formation have been good thus far and new coffee plantations are opening. The quota received by Paraguay under the International Coffee Agreement should absorb the entire production.

The 1967 harvest of tung nuts amounted to about 30,000 tons, half that of the previous season. Narrow returns to producers had caused disinterest and widespread abandonment of the crop, but there are several projects current to make tung production more economical. Among them is the plan of the Japanese firm Mitsui to build a $3-million extraction plant in the tung-producing area. This would streamline the present system of shipping half the crop as shelled nuts to Asunción for processing.

Actually, it is marketing rather than producing this commodity that presents greatest difficulties. The large production of tung nuts in 1966 resulted in a 90-percent increase in exports (4,500 tons total) through June 1967, compared with the first half of 1966. But owing to surpluses on the world market, the increase in total value was less than 20 percent.

The wheat crop harvested last fall is unofficially estimated at around 9,000 metric tons. This is 1,000 tons more than in 1966 and the largest outturn since 1961. Cultivated area increased by some 15 percent to 20,000 acres. However, wheat remains a minor crop, contributing less than 10 percent of Paraguay's annual need of up to 100,000 tons.

Trade problems

Despite the increase in overall agricultural production, export trade in 1967 was adversely affected by the sluggish world market for such important Paraguayan products as cotton, coffee, tung oil, and wool. Shipments of meat, tung oil, and cotton increased in 1967, but not enough to prevent an export decline of more than $1 million from 1966 to an estimated $48 million. Exports in January-July, at $26 million, were off 10 percent from the 1966 period, while imports for the same period rose 26 percent to $34 million.

To improve this agricultural situation, Paraguay is working toward increased production of commodities with profitable export potential and of food items now on the import list. Meat and meat products figure importantly in the first category; the second includes chiefly wheat, dairy products, and certain vegetables. Indication of some success in shifting export composition to high-value items is seen in the gradually expanding production of processed meat exports (now first in export value), tobacco, and essential oils. Cotton, coffee, and yerba mate, however, still occupy prominent positions.

One example of agricultural improvement now underway is the effort to relocate farmers from the congested area around Asunción to more fertile lands. This is achieved through the Rural Welfare Institutes (IBR), which has awarded 30,000 land titles to settlers in nearly 270 colonies since its beginning in 1963. Lack of credit facilities for colonists and inadequate financial resources for necessary schools, hospitals, and other services have been serious limitations to the Institute's work. For each of the years from 1963 to 1966, IBR received $76,000 from the state budget. In 1967 USAID began a project to provide an agricultural specialist to assist IBR in program planning and in setting up in-service training courses for colony leaders in communications, agricultural subjects, and use of cooperatives.

—From a dispatch by MARTIN G. SCHUBKEGEL
Assistant U.S. Agricultural Attaché, Buenos Aires

Yugoslav Sunflowerseed Output Down

Sunflowerseed production in Yugoslavia in 1967 is estimated at 250,000 metric tons, a decline of 11 percent from the alltime high of 282,000 tons produced in 1966. The decline resulted from reduced acreage and lower yields per acre caused by prolonged dry weather. The area harvested in 1967 at 363,200 acres with an average yield of 1,520 pounds dropped from the 380,500 acres harvested the previous year with an average yield of 1,630 pounds.

Acreage decreased largely because the guaranteed purchase price of sunflowerseed, established in 1965 at US$96 per ton, had made sunflowerseed production less profitable than other crops. The support price for 1968 has been increased to US$104 per ton, and acreage and production are expected to approach the 1966 levels.

Swaziland's Agriculture Boosts Export Income

By HARRY R. VARNEY
U.S. Agricultural Attaché, Pretoria

Swaziland, a 6,704-square-mile country-to-be surrounded by the Republic of South Africa, will leave its status as a British protectorate and become independent sometime in September of this year. Swaziland has a hopeful financial future according to all recent indications, partially because of the rapid growth of agricultural exports.

Swaziland quadrupled its income from exports of agricultural, pastoral, and forestry products from US$8.5 million in 1960 to about US$34.5 million in 1966. Estimates for 1967 indicate that the trend will continue.

During the same time agricultural exports climbed from 50 to 63 percent of total exports in spite of the recent competition from iron ore, which was not exported at all before 1960, but whose export value now is about four-fifths that of sugar.

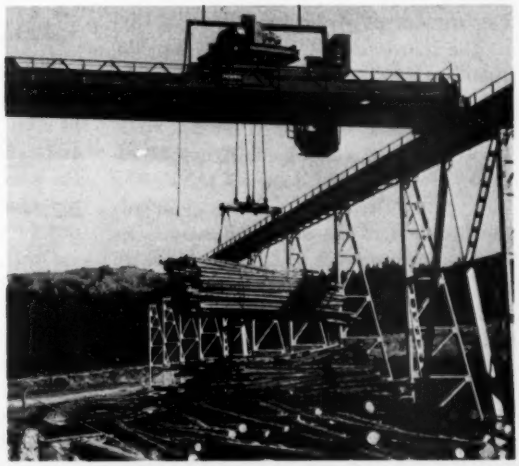
The rapid rise in agricultural production and exports is due to two factors. First, nearly 45 percent of the total land is presently worked, under freehold or concession, by White farmers or by corporations that have the know-how and capital required for good production. White farmers and corporations have large enough acreages to make mechanization both possible and desirable, and their production costs per unit of export material are low.

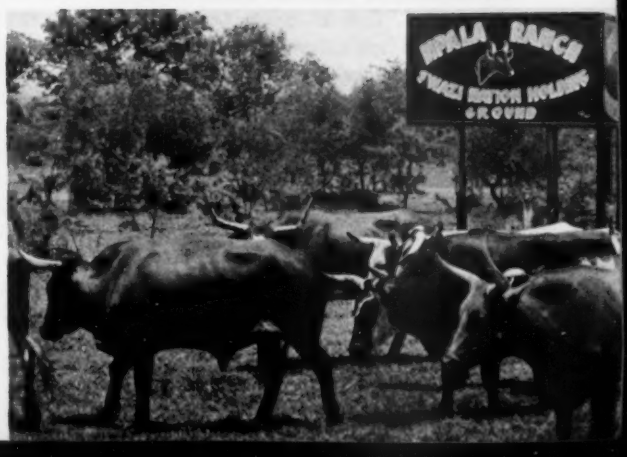
Second, the Swaziland Government has had an increasingly active program of consolidating small, scattered African farm plots of uneconomic size, culling livestock, fencing pastures, building dams, and controlling soil erosion. These activities, plus African settlement projects in irrigated areas, have increased African agricultural production for export. In addition, African cooperative societies are being created that have rights to borrow from the Swaziland Credit and Savings Bank (an institution backed by United Nations and other funds). Such cooperatives can mechanize agricultural production on a commercial basis. Possibly most important, Swazis are being given freehold rights in the settlement projects that are usually under irrigation.

Such private holdings, encouraging the creation of a class of relatively prosperous Swazi farmers, are an innovation in Swaziland. All land that is not held by Whites or corporations as concessions, except for a little Crown land, belongs to the Swazi nation as a whole with the king (the Ngwenyama), Sobhuza II, as the trustee. Traditionally, Swazi land may never be sold, although use rights are granted. In the past, an African farmer's holdings could be revoked or changed by the local chief, and African farmers were reluctant to make capital expenditures on land that they did not feel was permanently for their use.

Some examples of Swaziland's expansion of agricultural production follow, beginning with sugar. Until the middle 1950's, sugar was not grown in Swaziland. By 1960 it was second in export value only to asbestos. By 1966, sugar was Swaziland's most valuable export and earned US$14.3 million, about five times as much as it earned in 1960.

Ubombo Ranches, a subsidiary of the Swaziland Sugar Milling Company, and the Mhlume Sugar Company, of which the Commonwealth Development Corporation is a majority shareholder, produce about half the sugarcane that supplies the two mills in the country. The remainder of the cane comes from 25 independent White growers and from over 100 Swazis settled on small holdings in the Vuvulane Irrigation Farms and in another project.





Below, sugarcane hauled into the Mhlume Sugar Company mill. Bottom right, mixed cattle belonging to African farmers being held for "finishing." Upper right, logs handled at works of the Usutu Pulp Company mill. The logs are cut from man-planted forests.

Sugar is exported mainly to Great Britain under the Commonwealth Sugar Agreement; smaller quantities go to the United States, Canada, and the Republic of South Africa.

The cotton crop was worth $1.9 million in 1966 compared with $750,000 in 1960. Swazi farmers produce about a third of the present cotton crop, which is completely exported to South Africa.

Swazi farmers are also playing an increasing role in citrus production. Of the 642,000 orange and grapefruit trees, about 110,000 are in the Swaziland Irrigation Scheme in the Komati River valley. In 1960 citrus exports were valued at $95,000; in 1966 they were worth $1.6 million.

The increase in exports of forest products has been impressive. Wood pulp and other forestry exports have risen in value from about $1.4 million in 1960 to $11.4 million in 1966. They are now Swaziland's second in value export.

Other agricultural export gains were from $1.5 million in 1960 to $3.1 million in 1966 for cattle and cattle products, from $180,000 in 1960 to $990,000 in 1966 for dairy products, and from $350,000 in 1960 to $530,000 in 1966 for canned fruits.

Expansion in agricultural production has led to the establishment of secondary industries, which, in turn, provide needed off-farm employment. Examples of such secondary industries include a fruit-canning factory, two sugar refineries, a cotton gin, a meatpacking plant, a pulp papermill, and three sawmills.

New USDA Library Catalogs Aid International Research

Worldwide access to the entire collection of the National Agricultural Library of the United States will soon be available through a unique card catalog in book form—expected to be completed by the end of this year or the first of next—and a supplementary catalog already being published each month.

With these two catalogs, scientific and research personnel from Afghanistan to Zambia can—regardless of their physical location—determine the published information available in what is generally considered to be the best agricultural library in the world. The National Agricultural Library is an agency of the U.S. Department of Agriculture.

The *Dictionary Catalog of the National Agricultural Library, 1862-1965,* being issued in 68 or more bound volumes of some 800 pages each, reproduces the card catalog of library accessions of books and journals in its first 104 years. The final volume will include an alphabetical list of periodical articles translated from other languages, which are in the collection.

It will contain over one million and a half author, title, and subject cards, arranged in a single alphabet. The first 10 volumes, containing A and B entries, are already off press.

The *National Agricultural Library Catalog,* which has been issued monthly since 1966, lists all books, periodicals, serials, and translated articles added to the collection during the previous month. It is arranged in three sections. The first section consists of titles arranged alphabetically by entry under 15 broad subject categories. The second section is arranged by entry in straight alphabetical sequence. Both sections include complete cataloging information for each publication. The third section is an alphabetical list of translated articles.

The National Agricultural Library is, next to the Library of Congress, the largest government library in existence. Its collection policy interprets agriculture in its broadest sense to include all subject fields basic and allied to agriculture. Its collection—in addition to comprehensive coverage of general agricultural materials—is particularly strong in such fields as chemistry, botany, veterinary medicine, forestry, entomology, agricultural economics, and agricultural statistics. Publications of interest and translations of articles are obtained from all parts of the world; some publications were issued as early as 1500.

The library makes its collection available through bibliographies, loans, photocopies, and reference services to many institutions, groups, and individuals in the United States and foreign countries. Directions for ordering microfilms and photoprints of library material—including method of payment—are included in the catalogs.

Purchase information about the two new catalogs is available from the publishers, Rowman and Littlefield, Inc., 84 Fifth Avenue, New York, New York 10011.

Crop Insurance Is Coming to Quebec

Quebec will soon be added to the list of Canada's Provinces that have systems of crop insurance for farmers. The Federal cabinet recently approved a Federal-Provincial cost-sharing insurance scheme for Quebec, and the actual agreement will be signed soon.

Other Provinces that already have programs of crop insurance are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Prince Edward Island. Only the three maritime Provinces—New Brunswick, Nova Scotia, and Newfoundland—are without insurance.

This year about 50,000 farmers in the seven insured Provinces are expected to purchase insurance; about 265,000 farmers will have insurable crops. The insurance will purchase coverage of about US$130 million; total value of insurable crops is estimated at $694 million. The insurance will cover crops as different as strawberries and forage.

The Quebec Government first passed legislation calling for a crop insurance program during 1967. As in other schemes, the Federal government agreed to participate. The Federal government will pay half the administration costs and one-fourth of the yearly premium.

The Federal contribution in addition to a subsidy by the Quebec Government will mean that the farmer who buys insurance will have to pay only 50 percent of the normal premium cost.

During 1968, the first year of crop insurance in Quebec, only forage crops and grain crops used as livestock feed will be insured. However, about 80 percent of the Province's farmers grow such crops. It is hoped that eventually cash crops will be insured also. Unlike insurance plans in other Provinces, the Quebec arrangement will not include re-insurance or loans by the Federal government to cover losses in excess of the reserves that have been built up.

Agriculture Minister J. J. Greene, of the Federal cabinet, says, "These Federal-Provincial crop insurance plans mean an end to emergency disaster payments that the Federal government has had to make from time to time."

—Based on dispatch from
RICHARD H. ROBERTS
U.S. Agricultural Attaché, Ottawa

Costa Rica Buys Wheat for New Mill

Before January 1967, when a new flour mill began functioning, Costa Rica's chief import for several years was wheat flour. The flour was suppliied mainly by the United States and Canada and in minor amounts by West Germany, France, Belgium, and Luxembourg. Costa Rica's only flour mill had been sold to Nicaragua in 1962, and Costa Rica had been without milling facilities.

The new mill, Molinos de Costa Rica, a joint Costa Rican-Mexican business venture, has caused a marked change in Costa Rica's trade. Flour imports are down sharply, but wheat imports have jumped from next to nothing in 1966 to about 1.1 million bushels for the first 9 months of 1967. Costa Rica grows no wheat, so all supplies for the mill must be imported.

The United States in 1967 supplied about 75 percent of Costa Rica's wheat imports, approximately 1.2 million bushels, and prospects are good for maintaining or even increasing the proportion of U.S. sales. U.S. wheat is preferred because of its quality; but purchases will depend chiefly on the maintenance of competitive prices.

During 1968, the second year of the mill's operation, wheat imports are expected to increase as mill production nears the planned production level. About 2.6 million bushels of wheat a year will be imported to supply Costa Rica's flour demand.

COSTA RICA'S WHEAT AND WHEAT FLOUR IMPORTS

Country of origin	1965	1966	1967 [1]
Wheat:	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*
United States	1.9	(2)	781.8
Canada	....	....	132.3
Mexico	....	....	131.8
Nicaragua	....	....	.4
El Salvador	(2)	(2)	.3
Total	1.9	(2)	1,046.6
Wheat flour:[3]			
United States	999.4	843.9	461.9
Canada	870.0	846.7	396.3
France	173.8	165.8	11.7
West Germany	87.3	323.8	139.2
Belgium and Luxembourg	50.7	70.6	87.1
Australia	....	12.1	....
United Kingdom	3.7	6.8	....
Other	.7	(2)	.8
Total	2,185.6	2,269.7	1,088.0

[1] January-September. [2] Less than 500 bushels. [3] Grain equivalent.

Top Grain Crop Slows Austria's Imports

Final official estimates of Austria's 1967 grain production show it totaled about 2.9 million metric tons, surpassing the previous record set in 1966 by almost 11 percent. Breadgrain production, at 1.4 million tons, was up 12.8 percent and coarse grain, at 1.5 million tons, was up 9 percent.

Accordingly, the forecast for prospective grain import requirements for the current 1967-68 season has been revised downward—to a record-low 354,000 metric tons. Imports of breadgrains are expected to total about 49,000 tons and imports of coarse grains, 305,000 tons—both alltime lows.

The U.S. share of Austrian grain imports will probably be no more than 16 percent this year, compared with about 30 percent in 3 of the past 5 years. One reason for this unfavorable development is that large supplies of feedgrains—some of them low in price—are available in European countries. When prices are competitive, many Austrian importers prefer to procure grain from countries nearby because they can get it on short notice.

Another negative influence on imports from the United States is that Austrian authorities sometimes order the trade to buy from specific countries.

Austria's probable 1967-68 imports include 140,000 metric tons of corn, 110,000 tons of barley, 30,000 tons of oats, 25,000 tons each of grain sorghums and durum wheat, and 24,000 tons of bread rye.

Based on dispatch from HENRY A. BAEHR
U.S. Agricultural Attaché, Vienna

Iran Makes Plans To Expand Country's Agricultural Effort

Scheduled to begin March 21, 1968, Iran's Fourth Economic Development Plan will have more emphasis on agriculture than the past three national plans, which stressed industrial development. Now, agricultural improvement will be pushed because of the chronic shortages in Iran of animal fats, dairy products, cereals, vegetable oils, sugar, tea, wool, and other agricultural commodities. Out of the estimated $10.8 billion to be invested by the Iranian Government and private agencies during the Fourth Plan period, 1968-73, about $1.7 billion is reserved for agricultural development.

About one-third of the sum earmarked for agriculture will be spent on irrigation programs; the remainder will be used in financing projects for crop and livestock improvement and the third phase of the agrarian reform program.

Other segments of the Fourth Plan, such as the development of transportation, storage, and processing facilities, will indirectly contribute to increased agricultural productivity.

If the Fourth Plan's objectives are reached in agriculture, Iran would be self-sufficient in most foods and fibers and would increase its exports to neighboring countries.

Costa Rica's Corn Year

Preliminary figures on the 1967 harvest indicate that Costa Rica's campaign to increase corn production in 1967, called "The Year of Corn," has been a success. About 3.1 million bushels were harvested in 1967, an increase of 20 percent over the 1966 crop of 2.6 million bushels.

Techniques applied in the campaign included distribution of information, supervised credit for farmers, and technical assistance. The program is being continued, and this year's plans call for bringing additional acres into cultivation.

In spite of production increases, the Costa Rican Government estimates that about a half million bushels of corn will be imported during 1968. The demand for corn for use in mixed feeds, particularly for poultry, is growing more rapidly than corn production. Also, most corn is grown in northwestern Costa Rica, where there is easy access to markets in Nicaragua. Both Costa Rica and Nicaragua belong to the Central American Common Market, and there is no restriction on movement of grain between member countries.

A Grocery-Buying Profile of Europe

At a recent Washington conference of small grocery businessmen, Grocery Manufacturers of America, and USDA officials, A. C. Nielsen Co. Executive James O. Peckham made these observations on marketing food in Europe. He begins with a comparison between Western Europe and the United States on factors affecting grocery marketing.

Despite the substantial increases in national income and standard of living characterizing virtually every country in Europe during the past 10 years, we see that national income in Western Europe during 1966 was 68 percent as great as national income in this country. Based on our Nielsen Retail Index operations in food stores abroad, we estimate that grocery store sales in Western Europe during 1966 were approximately 55 percent the size of the U.S. grocery store sales—some $36 billion in Western Europe as compared with $65 billion here. The population of Western Europe as of 1966 was approximately 57 percent larger than that in the United States.

In view of these figures on population, national income, and grocery store sales, it is perhaps surprising that the number of grocery outlets in Western Europe is approximately 3½ times that in the United States. Although supermarkets are showing considerable growth in many European countries, there are certain basic factors which operate to limit the rate of growth of this type of outlet. It is not so much the lack of transportation as it is the lack of parking space, the hand-to-mouth buying habits of the housewife, and limitations on storage space in the apartment or house. In many parts of Europe the housewife is in the habit of doing her shopping several times a week if not daily.

Refrigerators, freezers

Furthermore, although the number of households equipped with a refrigerator has been growing rapidly over the years, the proportion of households with deep freezer units is still quite small. This will change since there is a slow turning away from the habit of multi-weekly or daily shopping, but the situation is really quite different than we find here in the United States.

This same situation is a dampening factor in the popularity of large-size packages. They are continuing to grow in importance, even though they have not developed to anywhere near the same extent as they have here in our market.

Retailer helps promotion

The relatively large number of stores per thousand population—characteristic of virtually all countries in Europe—coupled with the lower availability of suitable advertising media, particularly television, places a very high premium on the ability to secure retailer support and distribution of new products. In some areas—particularly France, Italy, and Belgium—the retailer's approval is a major factor in the ultimate success of a product. Selling has to be done very largely at the retailer or distributor level since there is less opportunity than in the United States to establish consumer demand through advertising.

Taiwan Opens a Baking School

The China Baking School recently inaugurated in Taipei is the strongest new contributor to increased consumption of wheat foods in Taiwan—brightest spot on the charts of Asia's growing cash purchases of wheat from the United States.

Above, Wheat Associates Executive Vice President Richard Baum speaks at inauguration ceremony for the school. Right, members of the China Wheat Products Promotion Council weigh ingredients in the new school's kitchen before baking.

The school will train Taiwanese bakers, apprentices, and others with some experience in wheat-flour industries. Each year nine classes of 20-25 students will take the school's 5-week course in baking, nutrition, management, equipment maintenance, and related subjects.

The opening of a bakers' school in Taiwan was made possible through the joint efforts of three organizations—the China Wheat Products Promotion Council (part of Taiwan's Council for International Economic Cooperation and Development), the Taiwan Millers Association, and FAS cooperator Wheat Associates, USA. All three have been active backers of wheat food consumption in Taiwan, both from a nutritional and commercial point of view.

At opening-day ceremonies more than 200 industry, government, education, and press representatives came to the school and sampled the more than 35 kinds of western-type baked goods prepared and displayed by the students. Chinese-type steamed breads, spring rolls, and dumplings were also baked and set out for sampling by the Taiwan Wheat Products Promotion Council.

Yugoslavia's Baking Industry Becomes An Important Cash Buyer of U.S. Wheat

Once a local-currency buyer, Yugoslavia is now purchasing American wheat for dollars. The following observations of the country's potential as a customer were made by Joseph Halow, Director of Foreign Operations for Great Plains Wheat, FAS cooperator for the development of wheat markets in Europe.

Yugoslavia's agricultural economy suffered greatly as a result of World War II, but production has been slowly building up since that time. In agriculture, as in industry, Yugoslavia has two types of enterprises—the small, privately owned and operated one, which is limited in size, and the large enterprise run by a "board of directors" and employing a large number of people. Yugoslavs farm both extensively and intensively and produce a large variety of garden vegetables and fruits. They also grow field corn for domestic use and exporting.

Yugoslavia was a net exporter of wheat before World War II, but this has not been true since the war. Yugoslavia has had to import large quantities of wheat every year to satisfy demand. Only in the last 2 years has this Balkan nation produced a crop which, quantity-wise, could fulfill its requirements.

Bread consumption high

Yugoslavia's annual per capita wheat consumption, a whopping 440 pounds, is one of the highest in the world. The Yugoslavs had traditionally tended to use cornmeal products, but the switch to wheat products was encouraged by the government.

It is a fairly common practice in Communist countries for the government to provide low-cost housing and inexpensive bread to the people, but government officials in Yugoslavia freely admit that the high per capita bread consumption is indicative of a lower standard of living. In the absence of an adequate supply of meats and eggs, bread constitutes one of the major sources of protein.

In Yugoslavia, as in many other countries, large bakeries are replacing small shops. At the end of World War II, there were two large bakeries—called "bread factories"—in Belgrade; now there are 17. It is inevitable that the small bakeries, still privately owned, will be forced out of business. The price of bread is fixed by the state, and although the privately owned bakeries are free to operate, they must sell their bread at the same prices as the large operations. Because of a considerably smaller volume of business, the smaller bakeries are unable to operate as economically.

Poor equipment

Bakeries large and small face some of the same problems. Most are poorly equipped compared to the modern bakeries in the United States and Western Europe. Part of the problem has been a lack of technical know-how; but perhaps the largest stumbling block has been lack of proper equipment. Until recently the Yugoslav bakeries were forced to buy their equipment within the country or from one of the other Communist nations. Several months ago, however, the Yugoslav Government lifted this restriction so that bakeries are now free to purchase equipment wherever they wish. Bakers want very much to improve their facilities and have been looking for machinery and equipment in the United States, Canada, Switzerland, Great Britain, and Germany.

The Yugoslavs bake a fairly good loaf of bread, considering the equipment with which the bakeries must operate. One of the problems which bakers face—and hope to improve—is short shelf life. Yugoslav bread, good within hours after it is baked, is practically inedible the following day. Bakeries also lack facilities for slicing and packaging.

Yugoslavs are also aware that they must have good flour to produce better bread and continue wanting high-protein, strong-gluten wheat to blend with their soft or semi-hard varieties.

For several years, Yugoslavia had been purchasing wheat from the United States under the P.L. 480 program. At first these purchases were for payment in Yugoslav dinars, but later imports came under Title IV of P.L. 480—long-term credit repayable in dollars. In 1967, Yugoslavia became ineligible to import under P.L. 480 and used Commodity Credit Corporation credit and barter or purchased strictly for cash.

Yugoslavia naturally is concerned with its balance-of-trade position and if possible, it would use only its own wheats. Yugoslavia continues to experiment with different varieties in an attempt to produce high-protein, strong-gluten wheats for blending with its own softer varieties. Its climate and soil conditions are against it, however, and the country must continue to import wheat for blending.

Yugoslavs indicate a preference for U.S. wheat, stating frankly that they have studied all possibilities and find U.S. wheat their best buy. In trading their dollars for protein, they feel they get a better bargain with U.S. wheat.

The more desirable a buyer Yugoslavia becomes, however, the greater the competition is bidding for sales. Yugoslavs have estimated their annual import requirements at about 400,000 metric tons, depending upon their crop and their plans for reserve stocks. This constitutes a very desirable customer.

U.S. Foods on Italian TV Documentary

Cameras rolled in the U.S. Trade Center at Milan some weeks ago with U.S. Agricultural Attaché Robert C. Tetro—left, with program host—ad libbing about the popularity of U.S. foods in Italy. A TWA chef also appeared. The 3½-minute television spot is one of a series of documentary briefs to be shown nationwide.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Between March 20 and March 27, 1968, there was very little change in offer prices of wheat. Canadian Manitoba and U.S. Spring decreased 2 cents, while U.S. Soft Red decreased 3 cents. Russian and Argentine wheat prices were unchanged. U.S. 12 percent was not quoted.

Argentine corn dropped 1 cent while U.S. corn prices were unchanged. South African corn decreased 8 cents.

Item	March 27	March 20	A year ago
	Dol. per bu.	*Dol. per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.04	2.06	2.19
USSR 121	1.96	1.96	(1)
U.S. No. 2 Dark Northern Spring, 14 percent	1.97	1.99	2.07
U.S. No. 2 Hard Winter, 12 percent	(1)	(1)	2.02
Argentine	1.89	1.89	(1)
U.S. No. 2 Soft Red Winter	1.73	1.76	1.99
Corn:			
U.S. No. 3 Yellow	1.38	1.38	1.60
Argentine Plate	1.50	1.51	1.59
South African White	1.39	1.47	1.61

[1] Not quoted.

Smaller Australian Raisin Crop

Current reports indicate cool and overcast weather has slowed drying of 1968 crop Australian raisins and cut the rate of movement into packing houses. Australian sources indicate that weather has caused an above average diversion of sultanas to wineries. The 1968 sultana crop is currently estimated at 72,000 tons, 26 percent below that of last season and 14 percent below the 5-year 1962-66 average. Production of lexias, a seeded raisin, is estimated at 6,700 tons, 2,500 below the 1967 crop. Dried current tonnage may total 8,400 tons, 20 percent below 1967 and 17 percent below the 1962-66 average.

Chilean Dried Prune Crop Down

Adverse weather conditions during bloom contributed to a smaller 1968 dried prune crop in Chile. Production is forecast at 5,900 short tons, 3 percent below the 1967 crop of 6,100 tons, but 240 tons above the 5-year 1962-66 average. Preliminary reports indicate quality to be below 1967 production. Fruit size is expected to average 80 to 90 per pound.

The almost total absence of Brazil in the Chilean prune market severely reduced exports of prunes during 1967. Calendar year exports totaled 1,650 tons, 25 percent below 1966. Exports are estimated at 2,250 tons during 1968, approximating the 1966 level. West Germany, the United Kingdom, Netherlands, Mexico, and Peru were the principal purchasers during 1967.

CHILE'S PRUNE SUPPLY AND DISTRIBUTION

Item	1966	1967	Forecast 1968
	Short tons	*Short tons*	*Short tons*
Beginning stocks (Jan. 1)	600	700	1,950
Production	5,900	6,100	5,900
Total supply	6,500	6,800	7,850
Exports	2,200	1,650	2,250
Domestic disappearance	3,600	3,200	3,300
Ending stocks (Dec. 31)	700	1,950	2,300
Total distribution	6,500	6,800	7,850

Spain Removing Export Fee on Nuts

The export equalization fees (6.5 cents a pound for shelled almonds, and 1.3 cents for shelled filberts) which Spain imposed last December following devaluation of the peseta are being eliminated. The fee on filberts was cancelled as of March 1, 1968; on almonds it was reduced by 60 percent on February 24 and will be phased out entirely by May 1. Presumably the fees on inshell almonds and filberts have already been eliminated.

Argentine Canned Fruit Pack Large

Argentina reports the largest canned fruit pack in recent years. The 1968 pack is estimated at 2,585,000 cases, 10 percent above last season's and 48 percent above the 1962-66

ARGENTINA'S CANNED DECIDUOUS FRUIT PRODUCTION

Item	Year ending Nov. 30 1966	1967	1968
	1,000 cases [1]	*1,000 cases* [1]	*1,000 cases* [1]
Apricots	15	22	24
Fruit cocktail	10	25	50
Fruit salad	69	196	196
Peaches	691	1,994	2,200
Pears	46	98	98
Sweet and sour cherries	11	17	17
Total	842	2,325	2,585

[1] 24/2½'s basis.

ARGENTINA'S SUPPLY AND DISTRIBUTION OF CANNED PEACHES

Item	Year ending November 30 1966	1967	Preliminary 1968
	1,000 cases [1]	*1,000 cases* [1]	*1,000 cases* [1]
Beginning stocks (Dec. 1)	24	15	570
Production	691	1,994	2,200
Total supply	715	2,009	2,770
Exports	74	361	750
Domestic disappearance	626	1,078	1,370
Ending stocks (Nov. 30)	15	570	650
Total distribution	715	2,009	2,770

[1] 24/2½'s.

average. Larger packs are indicated for peaches (the largest single item), apricots, and fruit cocktail.

Trade sources expect a considerably higher export level during calendar 1968. Total exports are estimated at a record 800,000 cases, twice the 390,000 case level reached in 1967. Current export incentives include a rebate of 12 percent of the export value to be applied against taxes and a drawback of 7 to 8 U.S. cents per 2½ size can to compensate for the cost of imported tinplate. The most important foreign markets for Argentine canned fruit during 1967 were Peru, Brazil, West Germany, and the United States.

Philippine Coconut Products Exports

Registered exports of copra from the Philippine Republic during February 1968 totaled 39,645 long tons, compared with 59,020 in February 1967. Movements to the United States were 25,795 tons against 24,320 a year earlier.

Exports of coconut oil were 8,655 tons with 8,275 tons moving to the United States. Last February exports were 14,500 tons with 13,500 moving to the United States.

Cumulative Philippine exports of copra and coconut oil during January-February 1968 totaled 87,454 long tons (oil equivalent basis)—25 percent below the 117,063 tons exported during the same period a year ago.

Desiccated coconut exports for February totaled 3,462 short tons. Cumulative exports for January-February were 7,099 tons, 1,547 below those of January-February 1967. Of the total, 6,463 tons moved to the United States against 6,517 last year.

Colombian Cotton Production Up

Colombian cotton production, estimated at 425,000 bales (480 lb. net) in the 1967-68 season (August-July), is up from 400,000 bales a year earlier and the 1960-64 average of 335,000 bales. The overall gain stems from both higher yields and increased area devoted to cotton.

Yield increased to 492 pounds an acre from 475 pounds the previous year, a gain of nearly 4 percent. The number of acres allocated to cotton is estimated at 415,000 in 1967-68, up 3 percent from 404,000 acres in 1966-67. The production increase was in the Central Zone where 160,000 bales (around 38 percent of the crop) harvested in August and September 1967 was taken from about 115,000 acres (28 percent of total acres allotted to cotton) in 1967-68. This compares with about 120,000 bales harvested from 95,000 acres in this area during 1966-67.

A major proportion of the cotton acreage increase in 1967-68 was previously planted to rice. A poor rice crop in 1966-67 and favorable support prices for cotton this season induced the farmers to plant cotton. Record yield in the Central Zone is the primary factor resulting in a larger crop. Technical assistance, availability of farm credit from governmental sources for fertilizers and insecticides, as well as favorable weather, raised the yield to above 600 pounds an acre in this area.

The Northern Zone cotton crop (harvested during January-March) is estimated at 265,000 bales, down from 280,000 bales a year earlier. This reduction was a result of the reluctance of many farmers to plant cotton until the support program was known. The decision on the part of the Government of Colombia to raise the cotton support price was made in late December, after the Northern Coast planting season.

Cotton consumption is estimated around 325,000 bales, up from 310,000 bales the previous year. Exports could reach 100,000 bales in 1967-68, compared with 83,000 bales in 1966-67 and 42,000 bales 2 years earlier.

Stocks were estimated at 87,000 bales on August 1, 1967.

U.S. Cotton Exports for February Drop

Cotton exports in February totaled 447,000 bales. This compares with shipments of 475,000 bales in January and 458,000 bales in February 1967.

Exports for August through February totaled 2,346,000 running bales, down 23 percent from the 3,036,000 shipped during the same period in 1966-67.

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

	Year beginning August 1				
	Average			Aug.-Feb.	
	1960-64	1965	1966	1966	1967
Destination	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	23	3	4	3	1
Belgium-Luxembourg	121	43	52	40	22
Denmark	14	7	8	5	6
Finland	17	8	15	11	7
France	319	108	163	113	86
Germany, West	269	92	159	117	66
Italy	345	102	263	148	153
Netherlands	110	38	31	20	12
Norway	13	10	10	8	3
Poland & Danzig	125	42	78	54	46
Portugal	21	6	1	(1)	1
Spain	74	10	1	1	2
Sweden	81	59	71	49	45
Switzerland	74	35	79	56	42
United Kingdom	244	131	153	99	74
Yugoslavia	112	169	139	135	49
Other Europe	17	12	11	9	10
Total Europe	1,979	875	1,238	868	625
Australia	61	33	17	12	15
Bolivia	7	4	9	9	0
Canada	353	269	297	159	99
Chile	18	3	3	1	(1)
Colombia	3	57	1	1	0
Congo (Kinshasa)	6	25	34	8	(1)
Ethiopia	9	20	9	6	12
Ghana	1	1	15	9	5
Hong Kong	148	94	183	120	147
India	314	63	289	184	300
Indonesia	40	(1)	161	89	(1)
Israel	15	5	2	1	1
Jamaica	4	5	5	4	(1)
Japan	1,192	705	1,293	861	572
Korea, Rep. of	261	301	372	225	245
Morocco	12	12	14	10	12
Pakistan	14	6	3	3	16
Philippines	123	93	134	89	74
South Africa	41	27	38	24	11
Taiwan	209	178	373	246	148
Thailand	34	55	70	42	37
Tunisia	2	13	15	10	8
Uruguay	6	(1)	0	0	0
Venezuela	8	5	1	1	(1)
Vietnam, South	46	73	66	38	8
Other countries	18	20	27	16	11
Total	4,924	2,942	4,669	3,036	2,346

[1] Less than 500 bales.

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Shipments to Europe are 28 percent below those of a year earlier and to Japan a third lower. Among the countries where shipments are running above those of a year earlier are Hong Kong, India, and South Korea.

Chile Expects Larger 1968 Tobacco Crop

The 1968 tobacco crop in Chile is forecast at about 13.7 million pounds, compared with the 1967 harvest of 12.6 million. Larger harvests of both flue-cured and burley more than offset a drop in production of Paraguayan (dark air-cured).

Burley production this year is placed at 6.8 million pounds from 3,620 acres, compared with the 1967 crop of 4.7 million from 2,646 acres. The flue-cured crop may reach 4.4 million pounds—up nearly 50 percent from last year's 2.9 million.

Average grower prices for the 1968 crop were increased about 10 percent above those for the 1967 harvest.

Yugoslav Tobacco Exports Dip in 1967

Yugoslavia's tobacco exports in 1967 dropped a little from those of 1966. The 1967 total was 42.4 million pounds, compared with 46.1 million in 1966. The United States remained the largest foreign customer for Yugoslav leaf in 1967, taking 18.7 million pounds, or 44 percent of the total. The value of these exports to the United States was equivalent to $13.6 million, or 73 cents per pound. In 1966, U.S. purchases totaled 16.7 million pounds, valued at $11.9 million.

YUGOSLAVIA'S TOBACCO EXPORTS

Destination	1966	1967
	1,000 pounds	*1,000 pounds*
United States	16,739	18,675
Germany, East	6,151	6,329
Germany, West	1,764	4,004
USSR	6,614	2,235
Italy	2,315	1,989
Egypt	2,966	1,627
France	2,235	1,532
Poland	3,968	1,323
Japan	1,091	796
Austria	690	134
Others	1,530	3,768
Total	46,063	42,412

Other major purchasers of Yugoslav leaf last year included East Germany 6.3 million pounds, West Germany 4.0, the USSR 2.2, and Italy 2.0.

U.K. Tobacco Duty Raised

On March 20, 1968, the United Kingdom's duties on tobacco imports were raised 5 percent, or the equivalent of 52 cents per pound. On unmanufactured tobacco (containing 10 percent or more moisture) from non-Commonwealth countries the duty is now equivalent to $11.005 per pound and on similar Commonwealth leaf $10.82.

The increase in the tobacco duty means a rise in cigarette prices equivalent to about 2 U.S. cents per package of 20. Standard untipped brands will now sell for about 67 U.S. cents per pack and standard tipped brands for about 57 cents. It is likely that the switch to the cheaper filter-tipped brands will be accelerated by the increase in retail prices following the rise in duty.

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